

AMENDMENT TO H.R.
OFFERED BY MRS. WILSON

**(Amendment to “Beneficiary Improvement and Protection Act
of 2000”)**

Insert at the appropriate place the following:

1 **SEC. ____.** **PERMANENTLY REMOVING APPLICATION OF**
2 **BUDGET NEUTRALITY BEGINNING IN 2002.**

3 Section 1853(c) (42 U.S.C. 1395w–23(c)) is
4 amended—

5 (1) in paragraph (1)(A), in the matter following
6 clause (ii), by inserting “(for years before 2001)”
7 after “multiplied”; and

8 (2) in paragraph (5), by inserting “(before
9 2001)” after “for each year”.

10 **SEC. ____.** **ALLOWING MOVEMENT TO 50:50 PERCENT BLEND**
11 **IN 2001.**

12 Section 1853(c)(2) (42 U.S.C. 1395w–23(c)(2)) is
13 amended—

14 (1) by adding “and” at the end of subpara-
15 graph (C);

16 (2) by striking subparagraphs (D) and (E);

17 (3) by redesignating subparagraph (F) and sub-
18 paragraph (D); and

19 (4) in subparagraph (D), as so redesignated, by
20 striking “2002” and inserting “2000”.

1 **SEC. ____.** **INCREASED UPDATE FOR PAYMENT AREAS WITH**
2 **ONLY ONE OR NO MEDICARE+CHOICE CON-**
3 **TRACTS.**

4 (a) IN GENERAL.—Section 1853(c)(1)(C)(ii) (42
5 U.S.C. 1395w–23(c)(1)(C)(ii)) is amended—

6 (1) by striking “(ii) For a subsequent year”
7 and inserting “(ii)(I) Subject to subclause (II), for
8 a subsequent year”; and

9 (2) by adding at the end the following new sub-
10 clause:

11 “(II) During 2001, 2002, 2003, 2004,
12 and 2005, in the case of a
13 Medicare+Choice payment area in which
14 there is no more than one contract entered
15 into under this part as of July 1 before the
16 beginning of the year, 102.5 percent of the
17 annual Medicare+Choice capitation rate
18 under this paragraph for the area for the
19 previous year.”.

20 (b) CONSTRUCTION.—The amendments made by sub-
21 section (a) do not affect the payment of a first-time bonus
22 under section 1853(i) of the Social Security Act (42
23 U.S.C. 1395w–23(i)).

1 **SEC. ____.** **PERMITTING HIGHER NEGOTIATED RATES IN**
2 **CERTAIN MEDICARE+CHOICE PAYMENT**
3 **AREAS BELOW NATIONAL AVERAGE.**

4 Section 1853(c)(1) (42 U.S.C. 1395w-23(c)(1)) is
5 amended—

6 (1) in the matter before subparagraph (A), by
7 striking “or (C)” and inserting “(C), or (D)”; and

8 (2) by adding at the end the following new sub-
9 paragraph:

10 “(D) PERMITTING HIGHER RATES
11 THROUGH NEGOTIATION.—

12 “(i) IN GENERAL.—For each year be-
13 ginning with 2001, in the case of a
14 Medicare+Choice payment area for which
15 the Medicare+Choice capitation rate under
16 this paragraph would otherwise be less
17 than the United States per capita cost
18 (USPCC), as calculated by the Secretary,
19 a Medicare+Choice organization may ne-
20 gotiate with the Secretary an annual per
21 capita rate that—

22 “(I) reflects an annual rate of in-
23 crease up to the rate of increase speci-
24 fied in clause (ii);

25 “(II) takes into account audited
26 current data supplied by the organiza-

1 tion on its adjusted community rate
2 (as defined in section 1854(f)(3)); and
3 “(III) does not exceed the United
4 States per capita cost, as projected by
5 the Secretary for the year involved.

6 “(ii) MAXIMUM RATE DESCRIBED.—
7 The rate of increase specified in this clause
8 for a year is the rate of inflation in private
9 health insurance for the year involved, as
10 projected by the Secretary, and includes
11 such adjustments as may be necessary to
12 reflect the demographic characteristics in
13 the population under this title.

14 “(iii) ADJUSTMENTS FOR OVER OR
15 UNDER PROJECTIONS.—If this subpara-
16 graph is applied to an organization and
17 payment area for a year, in applying this
18 subparagraph for a subsequent year the
19 provisions of paragraph (6)(C) shall apply
20 in the same manner as such provisions
21 apply under this paragraph.”.

1 **SEC. ____.** **REASONABLE COST REIMBURSEMENT FOR PAY-**
2 **MENT AREAS WITH NO MORE THAN ONE**
3 **MEDICARE+CHOICE CONTRACT.**

4 (a) IN GENERAL.—Section 1853 (42 U.S.C. 1395w—
5 23) is amended—

6 (1) in subsection (a)(1)(A) by striking “(g), and
7 (i)” and inserting “(g), (i), and (j)”; and

8 (2) by adding at the end the following new sub-
9 section:

10 “(j) REASONABLE COST REIMBURSEMENT FOR PAY-
11 MENT AREAS WITH NO MORE THAN ONE
12 MEDICARE+CHOICE CONTRACT.—

13 “(1) IN GENERAL.—Subject to paragraph (2),
14 in the case of a Medicare+Choice payment area in
15 which there is no more than 1 contract entered into
16 under this part as of July 1 before the beginning of
17 the following year, at the election of a
18 Medicare+Choice organization the amount of pay-
19 ment under this section for such following year for
20 enrollment under a Medicare+Choice plan offered by
21 the organization in that area shall be the amount of
22 payment otherwise applicable to an eligible organiza-
23 tion that has entered into a reasonable cost reim-
24 bursement contract with the Secretary under section
25 1876(h).

1 “(2) LIMITATION.—A Medicare+Choice organi-
2 zation that has negotiated a higher an annual per
3 capita rate under subsection (c)(1)(D) for a year
4 may not elect reimbursement under paragraph (1)
5 for that year.”.

6 **SEC. ____ . 10-YEAR PHASE IN OF RISK ADJUSTMENT BASED**
7 **ON DATA FROM ALL SETTINGS.**

8 Section 1853(a)(3)(C)(ii) (42 U.S.C. 1395w-
9 23(c)(1)(C)(ii)) is amended—

10 (1) by striking the period at the end of sub-
11 clause (II) and inserting a semicolon; and

12 (2) by adding after and below subclause (II) the
13 following:

14 “and, beginning in 2004, insofar as such
15 risk adjustment is based on data from all
16 settings, the methodology shall be phased
17 in in equal increments over a 10-year pe-
18 riod, beginning with 2004 or (if later) the
19 first year in which such data are used.”.

20 **SEC. ____ . DELAY FROM JULY TO NOVEMBER 2000 IN DEAD-**
21 **LINE FOR OFFERING AND WITHDRAWING**
22 **MEDICARE+CHOICE PLANS FOR 2001.**

23 Notwithstanding any other provision of law, the dead-
24 line for a Medicare+Choice organization to withdraw the
25 offering of a Medicare+Choice plan under part C of title

1 XVIII of the Social Security Act (or otherwise to submit
2 information required for the offering of such a plan) for
3 2001 is delayed from July 1, 2000, to October 1, 2000,
4 and any such organization that provided notice of with-
5 drawal of such a plan during 2000 before the date of the
6 enactment of this Act may rescind such withdrawal at any
7 time before November 1, 2000.